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SUBJECT: VIETNAM: AMBASSADOR'S CALL ON THE MINISTER OF
AGRICULTURE AND RURAL DEVELOPMENT

1. Summary. On January 20, The Ambassador paid a courtesy call on Minister of Agriculture and Rural Development Cao Duc Phat. In addition to traditional agricultural and aquaculture products, the Ministry of Agriculture and Rural Development (MARD) has responsibility for the export of furniture. MARD has also played a leading role in the GVN effort to combat the spread of Avian Influenza (AI). Minister Phat described the GVN response to AI and requested continued U.S. support. He also assured the Ambassador that the GVN does not intend to ban the import of frozen U.S. poultry products. They also discussed their shared desire to increase bilateral agricultural trade and technical cooperation. Minister Phat also expressed the GVN's interest in supporting the establishment of a global tsunami early warning system (EWS). End Summary.

Avian Influenza and Poultry Imports

2. Minister Phat expressed appreciation for USG support in dealing with AI in 2004, and he urgently requested additional support for the current crisis. The Ambassador assured the Minister that the United States is prepared to work with Vietnam on combating this threat. He encouraged the GVN to work in a concerted and comprehensive manner to determine its needs and to coordinate requests for international assistance through the WHO and FAO. The Ambassador added that several U.S. government agencies are willing to send technical experts, but the GVN needs to provide specific requests that identify Vietnam's needs and interests.

3. In addition to the deaths of 20 Vietnamese in 2004, Minister Phat estimates that AI caused approximately USD 100 million in damages and losses of some 43 million poultry stock. Since December 2004, AI has claimed the lives of six Vietnamese. Minister Phat's worst fear is a widespread outbreak of AI during the regular flu season. To counter such an occurrence the GVN has mobilized "all available forces." Minister Phat serves as the chairman of the GVN's National AI Steering Committee that also includes the Minister of Health and "several" other ministries. The GVN has also established a task force that includes representatives of the WHO and FAO to coordinate its response. On a regional level, Phat noted that Vietnam has begun to cooperate with its neighbors, but at the moment cooperation is mainly limited to exchange of information. Vietnam cooperates most closely with Thailand, Phat added.

4. As a precautionary measure, Vietnam has instituted a ban on the importation of poultry from neighboring countries where AI has occurred in the past. According to Phat, the GVN has not considered extending this ban to frozen poultry from the United States and is not likely to do so in the future.

Targeting Increased Trade of Agricultural Goods

5. Minister Phat shares the Ambassador's objective of increasing bilateral trade in agricultural goods and agreed that raising the agricultural share of trade volume to 25 percent (from the current 18) is doable. Phat believes there is great potential to expand trade in both directions, especially in mutually beneficial trade such as the import of U.S. hardwoods and re-export of furniture. Vietnam imports significant amounts of wheat, cotton, soybean products and urea and synthetic fertilizers, and would welcome growth in the market share taken by the United States. According to Phat, Vietnam also considers the United States a good source of high-quality varieties of livestock and will continue to import the highest-quality varieties. However, he believes that the U.S. portion of Vietnam's leading export commodities such as pepper, cashews, rubber and coffee is still modest.

GVN Interest in Continued Technical Assistance

6. Minister Phat and the Ambassador agreed that increased technical assistance would help expand bilateral agricultural trade. Phat added that he hopes to increase

the amount of bilateral technical cooperation by signing various cooperative agreements with USG technical agencies. The Minister also expressed an interest in exchange programs that will help Vietnamese farmers and business people better understand the market economy and legal framework of the United States. The Ambassador noted that the USAID-supported project assisting dragon fruit producers in south-central Vietnam will set the stage for additional success and help Vietnamese farmers better understand how to bring produce to market in the United States. The Ambassador also highlighted an upcoming exchange between MARD and U.S. Department of Agriculture's Economic Research Service (ERS) which will help MARD to improve its forecasts of key commodities production.

17. Minister Phat thanked the United States for the assistance his ministry and others in Vietnam have received through the Food for Progress (FFP) program. He was well briefed on the outcome of the sale of an FFP wheat shipment scheduled to arrive in early February. With total revenue of USD 5.4 million, USD 1.2 million higher than anticipated, these funds will provide added flexibility to support additional infrastructure projects and technical assistance programs such as the Norman Borlaug Fellows program. Global Tsunami EWS

18. The GVN is interested in participating in the establishment of a global tsunami EWS, and Minister Phat expressed his appreciation for previous USG support for disaster relief and mitigation in Vietnam. The delegation attending the World Conference on Disaster Reduction being held currently in Kobe, Japan is comprised primarily of officials from MARD's Central Committee for Flood and Storm Control. According to the Ministry of Foreign Affairs, the GVN has yet to designate an agency with overall responsibility for disaster mitigation, but MARD will play a critical role in future efforts because of its management of the country's water control dike system.

19. At 48, Minister Cao Duc Phat is one of the youngest ministers in the GVN. He is highly respected by his peers and those within the diplomatic and international donor communities with whom he has dealt. He came across in this meeting as soft-spoken, but knowledgeable. He repeatedly expressed his appreciation for U.S. support and engagement with Vietnam. Minister Phat also readily accepted the Ambassador's offer to meet frequently to discuss agricultural issues of mutual concern.

MARINE